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Financing New England's Municipalities

PART I—ANALYSIS OF RECENT TRENDS

Municipal finance is a topic of increasing interest and concern, not only to the individual property owner, who has seen his tax rate climb with discouraging regularity, but also to municipal authorities who have seen borrowing costs rise. While most municipal bond offerings are successfully sold, public attention is focused on the exceptional case in which an offering either receives no bids at all, or else is rejected because the bids are considered too high. In Massachusetts, the recent controversy over the sales tax and the plight of the property owner, in general, has evoked particular interest in public finance.

Measured either by employment or expenditures, the role of local government in the economy has become more significant since the turn of the century. While total population and employment have increased approximately two and a quarter times since 1900, state and local government employment has increased fivefold. Similarly, while the Gross National Product is now about twenty times its 1900 level, state and local expenditures have expanded nearly thirty times during the same period. Today, these represent about eight per cent of the GNP. Within the post-

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war decade alone, expenditures of cities with populations over 25,000 have more than doubled.

Although the growth of state and local government has been rapid, it has barely kept ahead of increases in city, as contrasted with total, population. In addition to the concentration of population in urban, and perhaps more significantly in suburban areas, the expanding responsibilities placed upon local governments both by rising standards of living and by technological advances, particularly the auto, have required increasing public expenditures. Cities not only have had to provide facilities and services which less densely populated areas could ignore, but even the same facilities and services have been more costly.

Despite the increasing volume of state and local expenditures over the past fifty years, the pattern of expenditures has varied little. Only appropriations for administration and debt service have shown any marked relative decline. The relative increase in expenditures for education is primarily a post-Korea phenomenon. If cities alone are considered, the portion of their budgets devoted to education has actually declined since 1946, reflecting the trend toward the establishment of school districts as separate entities; often an expedient to avoid overstepping the debt limits which apply to municipalities. Business investment in new plant and equipment during the postwar period has been expanding at a rapid rate; yet, capital expenditures by state and local governments have been rising even faster. In recent years, the inability of municipalities to postpone essential projects has forced them to enter the capital market despite increasing interest costs.

New England's Municipalities

Over the past five years, New England cities have followed the national trend of rising revenues and expenditures, but with significant differences. Using general expenditures and revenues as an imperfect but handy yardstick, one finds that the ability of cities to live within their incomes has definitely deteriorated. Cities in New England and throughout the nation slipped from a surplus position in 1952 to a break-even position in 1953, and from there to a deficit position in the ensuing years. A marked increase in revenue for the nation's cities as a group in 1956 nearly restored the balance. New England cities, however, did not share in this favorable shift, primarily because they derive virtually none of their income from sales taxes, the revenue source which expanded most rapidly in 1956. Expenditures for cities throughout the nation increased at an average annual rate of 8.5 per cent over the five-year period, but were largely covered by revenues which increased at an annual rate of 7.9 per cent. In comparison, New England's cities found expenditures rising at the slower average annual rate of 6.0 per cent. Yearly revenues fell even farther behind, increasing only 5.3 per cent.

New England municipalities depend to a relatively greater extent on taxes than on other sources of revenue. Moreover, in no New England state do municipalities derive less than 90 per cent of their taxes from levies on property (in contrast with the national average of 73 per cent). Only in Massachusetts do cities receive more than the national average in intergovernmental transfers, and this advantage is more than offset by the disproportionately heavier burden of public welfare payments by the cities in this state. Such payments represent nearly 20 per cent of total general expenditures of Massachusetts cities compared with the national average of seven per cent and one of four per cent in the other New England states.

Capital expenditures by New England municipalities have been far below the national average during the 1950's. Whereas New England cities accounted for more than 10 per cent of the total general expenditures of cities throughout the nation during the period 1952-56, they accounted for less than five per cent of total capital expenditures. On the other hand, during this period each city spent nearly double the national average, in percentage terms, on education.

Although capital expenditures in New England have not kept pace with the national average, they have by no means been inconsiderable. During the eighteen months ending June 30, 1957 more than $250 million in long-term bonds were floated by cities and towns in the six state area. During this same period, New England state governments issued more than $325 million, so that a total of approximately $600 million in New England "municipals" came on the market.

Municipal Debt

The outstanding long-term debt of the nation's cities and towns doubled, both in dollar and per capita terms, during the decade 1946-1955. At the same time, the annual volume of new state and municipal bond issues increased from slightly more than one billion dollars in 1946 to nearly six billion in 1955. As more and more municipalities approached their debt limits, they shifted away from general obliga-

tions to revenue bonds. Whereas the latter constituted only 10 per cent of outstanding municipals in 1946, they accounted for 25 per cent by 1955. Also symptomatic of the rapid growth in municipal responsibilities, and the failure of revenues to keep pace has been the increase in outstanding short-term notes from two per cent of total debt outstanding in 1946 to five per cent in 1956.

Focusing attention once again on New England cities, one finds that in no year between 1952 and 1956 did the rate of increase in debt outstanding for the area as a whole reach the national average. This fact is not surprising, however, since the rate of increase in population in New England has been less than half the national average during the postwar decade.

Trying to assess the "burden" of debt is always problematic, but it seems safe to say that the burden of municipal debt has decreased significantly since the 1930's, using as a yardstick the ratio of interest charges to current expenditures. Part of this change can be attributed to the fact that an increased proportion of expenditures is financed from current revenues, and part to the unprecedentedly low interest rates which prevailed in the postwar era through 1952. For the nation's cities as a whole, interest charges on their general debt declined from more than eight per cent of general expenditures in 1942 to six per cent in 1946, and then to three per cent in 1950, where they remained through 1955. There is wide variation within New England, but with the exception of Rhode Island, the "burden" of municipal debt in this region seems to be below the national average. In the case of Rhode Island, interest charges constituted more than nine per cent of current expenditures in 1951, and although this figure has declined steadily since, it still remained only slightly below seven per cent in 1955, or more than double the national average. In contrast, one finds that in New Hampshire and Maine interest charges amounted to only 1.5 per cent of current expenditures in 1955.

Short-term Municipal Debt

Textbook authorities on municipal finance usually disparage the practice of borrowing against anticipated revenues. Nevertheless, New England communities, particularly those in Massachusetts, borrow more heavily on this basis than do cities and towns in other parts of the country. In recent years, the volume of municipal revenue anticipation notes issued in New England has exceeded $300 million annually. In 1956, the cities and towns in Massachusetts alone borrowed more than $216 million on a short-term basis, primarily because of the ten month gap between the beginning of their fiscal year (January 1) and the receipt of their revenues (October-November). Estimates indicate that this type of borrowing amounts to between $60 and $80 million in Connecticut, and around $30 million in Rhode Island, with considerably lower amounts in the other three states. Because an increasing number of Connecticut municipalities are altering the dates of their fiscal years, short-term borrowing is noticeably declining in that state.

In general, New England cities appear to have less short-term debt outstanding at the close of the fiscal year than their counterparts throughout the nation. Boston and the cities in Rhode Island are the notable exceptions. Of approximately $32 million outstanding in Massachusetts at the end of 1956 Boston accounted for $28 million. Similarly, each of the six Rhode Island cities with populations exceeding 25,000 carried over short-term obligations into the new fiscal year during 1955.

Although communities often incur short-term debt in anticipation of bond issues, highway reimbursements, or federal grants, by far the largest amount represents borrowing in anticipation of taxes. From the data available, it appears that municipalities solicit public bids on about 90 per cent of the dollar volume of such notes. Because small notes are often handled on a negotiated basis, private sales account for about 40 per cent of the number of transactions.

During the first six months of 1957 the average rate of interest charged on short-term notes varied almost one per cent between different states in New England. In Connecticut, for example, the rate was noticeably lower (1.72 per cent) and probably reflected the especially keen competition for municipal deposits in that state. At the other extreme, Rhode Island municipalities paid an average of 2.61 per cent, or about 25 per cent more than their Massachusetts neighbors.

Long-term Municipal Debt

About five hundred separate bond issues were publicly sold by New England municipalities during the eighteen months ending June 30, 1957, the number increasing in each of the three six-month periods. The following table provides a detailed breakdown by state and shows the sizeable increase in flotations during the first six months of 1957. Despite an increase in the average size of individual issues, paralleling the rise in construction costs, about half of

the issues carried a par value of $250,000 or less, well below the median for corporate issues.

Because municipalities have relied on general purpose bonds, rather than special purpose issues, it is difficult to determine how the proceeds of sales have been used for various types of capital expenditures. Generally, however, it appears that school construction accounts for approximately half of the total volume, while another quarter has been spent on sewer, water, and highway projects. These proportions do not differ significantly from those reflected in data for municipal sales throughout the nation. On the other hand, New England cities and towns have deviated from the national trend by continuing to issue general obligations almost exclusively, rather than turning to unguaranteed revenue bonds as have communities subject to constitutional debt limits. Nearly half of the outstanding long-term debt of Massachusetts municipalities is outside the statutory limit as a result of specially enacted legislation.

PUBLIC BOND SALES IN NEW ENGLAND BY STATE, 1956-57
(Thousands of Dollars)

	Mass.	Conn.	Maine	N. H.	R. I.	Vermont
1st 6 months, 1956.....	41,971	25,456	1,836	328	3,064	575
2nd 6 months, 1956.....	44,361	20,445	3,340	739	2,550	1,170
1st 6 months, 1957.....	47,512	40,646	2,254	2,675	12,264	2,321

As was the case with short-term financing, negotiated sales of New England municipal bonds bulk much larger in terms of number than in terms of volume of transactions. Although there were 135 negotiated sales recorded between January 1956 and July 1957, their total volume amounted to only about $4 million and three quarters of the transactions represented issues of $25,000 or less. Several banks reported that they advise municipalities to consider a serial loan when such small amounts are involved, provided the obligation would be paid off in less than ten years, and thus avoid the expense of issuing serial bonds and advertising a public sale.

As mentioned earlier, the rare cases of unsuccessful attempts to float bonds have been responsible for the close scrutiny of the municipal market during the past year. No comprehensive figures are available, but scattered reports indicate that several municipalities in Rhode Island and Connecticut, a water district in Maine, and a school district in western Massachusetts experienced difficulties because of interest rate limitations. In each case, apparently, the bonds were subsequently reoffered and sold. On the other hand, the Port of Boston Authority has not been able to get an acceptable bid on its proposed issue of $125 million because of a four per cent statutory interest rate maximum. Two other large issues ($40 million in Massachusetts Highway Bonds and $75 million in Connecticut Expressway Revenue Bonds) had a poor initial reception, but were later absorbed by the market following changes in terms and amounts.

Interest Rate Developments

Interest rates on municipal bonds have risen faster (1.5 per cent) than rates on comparable government and corporate bonds (.75 per cent) during the period from 1946 to 1956, but this unfavorable comparison ignores the fact that municipal securities at the earlier date were selling at unprecedentedly low interest costs (1.10 per cent for Aaa municipals in 1946). Actually, it was not until 1956 that the average of yearly interest rates on municipal bonds reached the levels of 1937 which were representative, except for tax rates, of preceding decades. Probably by coincidence, the rates on corporate bonds on a yearly average basis in 1956 also stood at the 1937 level, so that the relationship between the two types of securities in 1956 was similar to what had prevailed twenty years earlier.

A number of factors have contributed to halving the interest rate differential between corporate and municipal bonds over the past decade: (1) the much more rapid expansion in municipal issues has placed a relatively greater strain on the tax-exempt market; (2) the greatest increases in savings since the war have occurred in institutions (life insurance companies, mutual savings banks, etc.) that are not subject to high federal taxes and are, therefore, less interested in the tax-exempt feature; (3) commercial banks, which account for a significant portion of municipal holdings, have been hard pressed to meet loan demands throughout most of the period; (4) more individuals in the high income brackets who would ordinarily be attracted by the tax-exempt feature have turned to investment in common stocks. In general, it would seem that the relatively more rapid rise in municipal interest rates is due more to factors peculiar to the tax-exempt market than to over-all monetary restriction.

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Industrial Fuel Costs in New England

PART II—FUTURE TRENDS

With the possible exception of the Soviet Union, the United States has the most extensive and easily accessible high quality mineral fuel reserves in the world. But the demand for energy in this country is expanding rapidly, and the most easily developed coal deposits and oil and gas fields are now being exploited. A reasonable conclusion is that at some time in the future, lower quality and less accessible fuel resources will have to be developed, and mineral fuel costs will rise.

Important questions remain unanswered, however. For example: How soon and how much will prices increase? Which fuels will increase in price most rapidly? How soon will nuclear fuels compete with conventional fuels? How will the future trend in fuel costs affect New England's competitive position with other regions of the country?

Industrial Fuel Oil

About 60% of the residual fuel oil consumed in New England is imported from abroad — primarily from the West Indies and Venezuela. Thus, New England buys its industrial oil on an international market where the price is governed by world-wide energy needs, oil reserves, refinery capacity, and the cost of competing fuels.

During the next 15 years, the annual rate of consumption of all petroleum products in the world will more than double. The known reserves of oil appear to be adequate to supply this volume of oil; and, if political stability exists throughout the world, the additional wells and refinery capacity that will be required will almost certainly be constructed. However, it is unlikely that the production of residual oil — the fuel oil used by electric utilities and most industries — will increase as rapidly as that of other petroleum products.

Residual oil provides a low return to domestic refiners. Consequently, the petroleum industry has every incentive to increase the production of the more valuable gasoline and distillate fuels at the expense of industrial oil. The industry has introduced refining techniques which have lowered the yield of residual fuel oil in the United States from 27 per cent of each barrel of crude oil processed in 1945 to about 15 per cent in 1957.

Moreover, in recent years several radically new refining processes have been developed which produce little or no residual oil. The current national fuels policy of restricting crude oil imports may encourage more companies to convert existing refineries to these new processes. This policy may increase the price differential between distillate products produced from domestic crude oil, and residual oil which can be imported without restriction.

In recent years, residual oil imports from the Caribbean area have made up for a slight reduction in domestic supply, but the total supply has not been enlarged to meet the growing demands of our economy. American buyers cannot turn to the Near East because most of the crude oil from that part of the world is refined in Europe and European purchasers will outbid North American buyers, rather than pay the extreme prices which coal commands in Europe.

The foregoing facts suggest that the total supply of residual oil in this country will increase slowly — if at all — and that prices will rise steadily, but gradually. However, too much depends upon international developments and domestic policy regarding residual imports to make this a firm prediction. The recent Suez crisis cost New England industrial oil purchasers about $13 million in increased prices. If the Suez Canal should again be closed, Europe would turn to the Western Hemisphere for oil, and prices would again soar. Similarly, a ban on residual oil imports would penalize New England purchasers heavily.

Future prices may also be affected by the use of the large supertankers which are revolutionizing petroleum transportation on the high seas. On long trips, the largest of the new tankers can move petroleum products for a little more than half the cost of the traditional World War II T-2 tanker. It is doubtful, however, that a saving of more than 18 cents a barrel can be realized by the use of the large tankers between New England and the Caribbean countries.

Moreover, even this modest cost reduction probably will not be realized for years to come. Many more large ships must be constructed and more ports must be modernized in order to accommodate the largest supertankers which run up to 90,000 tons deadweight. The largest of these tankers will carry crude oil from the

Near East to refineries located in other regions of the country. Nevertheless, the more important New England ports probably should be equipped to handle vessels of over 40,000 tons. Today, tankers of this size can enter very few ports in this region and 30,000 ton tankers usually cannot unload without expensive towing charges and delays.

Although the Chelsea River, for example, carries about 40 per cent of the oil products imported into Boston Harbor, tankers larger than 16,000 tons can navigate it only part way. The Corps of Engineers of the U. S. Army is now studying a channel improvement and widening project which may increase the capacity of the river channel for ships up to 35,000 tons. Although this project would relieve the immediate problem, tankers would still have costly towing charges and delays.

Channel improvement projects have definite economic limits. Many authorities believe the long-term problem will be best solved by constructing offshore oil terminals where petroleum products of all types can be unloaded and then piped to the storage tanks of individual oil companies. Boston Harbor, in particular, has several islands located in deep water where large tankers could unload with little difficulty. One of these islands could be connected to the mainland with a bridge and used as a storage terminal for heavy industrial oil which cannot be piped at a reasonable cost.

Undoubtedly, many practical difficulties will delay these projects. Such construction requires private rather than public investment and the cooperative effort of many competing companies. All the economies of using the larger supertankers will not be realized for many years.

Natural Gas

Because of its cleanliness, simple burning equipment requirements, and its adaptability to automatic control, natural gas is particularly suited to the residential and commercial fuel markets. In some regions outside New England, however, natural gas has been in surplus supply and has been sold to industries or electric utilities at incredibly low prices. In 1948, for example, electric utilities in Texas, Arkansas, Oklahoma, and Louisiana were paying an average price of 6.5 cents per million British Thermal Units for natural gas. In the same year, utilities in New England were paying 38.6 cents per million B.T.U.s for coal and oil.

Since 1948, however, the average price of gas to utilities in the nation has increased from 10.4 cents to about 19 cents per million B.T.U.s, while coal and oil costs in New England have only moved up to about 40 cents from 38.6 cents. To some extent, therefore, the increasing cost of natural gas in other regions is diminishing New England's comparative disadvantage with respect to industrial fuel costs.

Bituminous Coal

The price of coal delivered in New England has risen relatively slowly over the last 10 years. This record can be explained by three factors: increasing productivity in coal mining due to mechanization, the installation of new burning equipment capable of burning high volatile and strip coals, and the constant competitive pressure of residual oil. Working against this trend of lower costs have been increasing labor and transportation costs.

These factors will also influence future prices. Most authorities agree that the trend toward greater mechanization, and hence greater productivity, will continue. This is true of both deep mine and strip coals. Improvements in producing deep mine coals, however, will largely be restricted to coal beds four feet or more in thickness. Coal cutting machines and mobile loaders are harder to use in the thinner beds.

New England obtains most of its coal from Pennsylvania and West Virginia, the rest coming from Kentucky, Virginia, and Maryland. Table 1 shows the coal reserves in these states, the distribution by volatility classes, and the amount of coal in beds of various thicknesses.

TABLE 1

RECOVERABLE COAL RESERVES IN STATES SUPPLYING COAL TO NEW ENGLAND
(billions of tons)

Location	Coal Bed Thickness	Low Volatile	Medium Volatile	High Volatile	Total
Pa., W. Va. (northern), and Md.	2′ — 4′ thick	1.6	1.3	4.3	**7.2**
	Over 4′ thick	*	.9	4.1	**5.0**
	Subtotal	**1.6**	**2.2**	**8.4**	**12.2**
Va., W. Va. (southern), and Ky. (eastern)	2′ — 4′ thick	1.6	1.3	6.2	**9.1**
	Over 4′ thick	.6	.4	3.3	**4.3**
	Subtotal	**2.2**	**1.7**	**9.5**	**13.4**
Combined Reserves	2′ — 4′ thick	3.2	2.6	10.5	**16.3**
	Over 4′ thick	.6	1.3	7.4	**9.3**
	Total	**3.8**	**3.9**	**17.9**	**25.6**

* only 8 million tons.

Source: Statistics compiled by Federal Reserve Bank of Boston from a Report by Ford, Bacon and Davis, Engineers, for Bureau of Mines and Corps of Engineers, 1951.

The most significant fact contained in this table is that the available reserves of easily mined coal are extremely large. In fact, the total reserves of recoverable coal in beds over four feet in thickness would supply the present needs of the entire country at the current rate of consumption for 20 years.

It should also be pointed out that these reserve statistics are extremely conservative. They were taken from a report made by a private consulting firm for the Corps of Engineers in 1951. This study was designed to discover possible locations for synthetic liquid fuel plants, and very strict specifications were placed on what constituted recoverable coal. In recent years, the U. S. Bureau of Mines has released more authoritative statistics on many coal producing counties in eastern United States. The statistics in Table II show how the two sets of estimates compare in 18 counties in Pennsylvania, West Virginia and Maryland.

TABLE II
RECOVERABLE COAL RESERVES OF 18 COUNTIES IN PENNSYLVANIA, NORTHERN WEST VIRGINIA, AND MARYLAND
(billions of tons)

Source of Basic Data	Low Volatile	Medium Volatile	High Volatile	Total
Engineering Firm Estimates, 1951 (In beds over 24" thick)	1.6	2.2	7.8	**11.6**
Recent Bureau of Mines Estimates (In beds over 28" thick)	1.4	2.8	13.7	**17.9**

Sources: Ford. Bacon, and Davis; Corps of Engineers; Bureau of Mines.

Table I and the recent Bureau of Mines data show that the known reserves of low volatile and medium volatile coal in thick beds are extremely limited in northern West Virginia, Maryland, and Pennsylvania. This producing area generally supplies the lowest cost coal to purchasers located in Connecticut and Vermont, and at inland points in Massachusetts and New Hampshire. Coal produced in the southern district is sold in Maine and along the New England seaboard.

It is true that relatively large quantities of low and medium volatile coal reserves exist in Pennsylvania in thin beds which can be extracted in open pit mining operations. But as a general rule, strip coal contains a higher moisture and ash content than deep mined coal, and cannot be used with uniformly good results in furnaces designed to burn deep mined coal.

Cost data recently collected by the Federal Reserve Bank of Boston from 120 New England purchasing agents buying industrial fuel, show that large premiums are often paid for special quality and specially sized coal. The figures show that buyers located in the same area are paying as little as 35 cents per million B.T.U.s for all rail strip coal or as much as 50 cents for specially sized, low volatile coal. In the future, new equipment will be installed and low cost coals will be used. The new equipment will be more expensive, but the trend toward low cost coals—at least in most inland points in New England—is unmistakable.

Rising labor costs may largely cancel out the benefits of improvements in mining and coal utilization. Transportation charges, which comprise half the total cost of coal delivered in New England, could have a similar effect. But if the recent past can be used as a guide, these factors will not force prices up faster than the over-all wholesale price index.

Oil competition has helped keep coal costs down during the last 10 years. An important fraction of the industrial fuel market has been taken over by residual oil, thereby creating surplus capacity in the coal industry. However, this surplus capacity is gradually being depleted. Some authorities believe that the price of coal will have to rise to enable the coal industry to generate sufficient profits to invest $300 million annually in new mines during the next five years.

The extent of the price rise depends on the future demand for coal. For example, if the supply of oil should be sharply restricted, this increase would be significant. If oil supplies can be sustained and European buyers do not greatly increase their coal purchases in this country, the price rise may be relatively small.

All factors considered, additional coal price rises appear likely. However, these increases will bring forth more coal, and there seems to be no reason to expect continuing price increases.

Nuclear Fuels

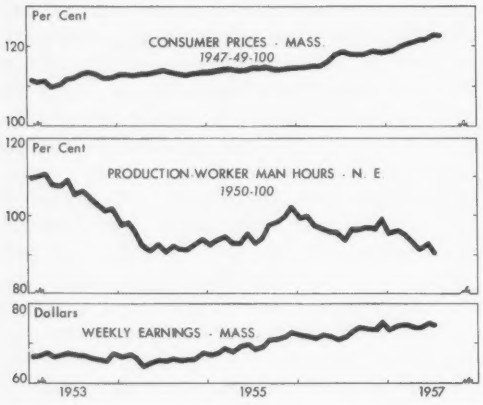
Many authorities believe that in ten years nuclear energy will be in full competition with the conventional fuels used by numerous electric utilities in New England. This is an exciting prospect, because utilities use about 40% of the industrial fuel consumed in this region.

The possibilities of using nuclear fuels in industrial plants are more remote. One New England manufacturing company is now developing a reactor which may prove useful for large pulp and paper companies with a 24-hour demand for electricity and steam. But small industries with intermittent power loads are not likely to use nuclear power in the foreseeable future.

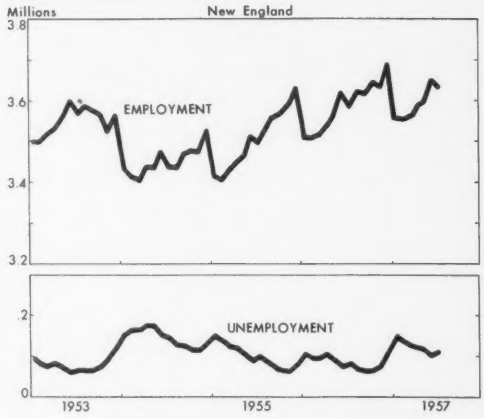
Conclusion

Unless residual oil imports are restricted or European buyers are forced to buy oil in the Western Hemisphere, industrial fuel costs will probably rise but slowly during the next 10 years. New England's competitive position will improve slightly as natural gas becomes more expensive in other regions, and coal costs remain relatively constant in this region.

PRICES, MAN-HOURS, AND EARNINGS



EMPLOYMENT-UNEMPLOYMENT



MANUFACTURING INDEXES (seasonally adjusted)	MASSACHUSETTS (1950–52 = 100)			NEW ENGLAND (1950–52 = 100)			UNITED STATES (1947–49 = 100)		
		Per Cent Change from:			Per Cent Change from:			Per Cent Change from:	
	July '57	June '57	July '56	July '57	June '57	July '56	July '57	June '57	July '56
All Manufacturing	114	− 2	− 5	116	− 4	− 4	146	0	+ 7
Primary Metals	104	− 3	+ 7	97	− 6	− 1	134	+ 2	+94
Textiles	51	− 4	−14	69	− 6	−13	98	− 2	− 2
Leather	111	−11	− 6	109	− 4	− 5	104	− 2	0
Paper	106	− 4	− 9	119	− 2	− 9	157	− 1	− 3

	NEW ENGLAND			UNITED STATES		
		Per Cent Change from:			Per Cent Change from:	
	July '57	June '57	July '56	July '57	June '57	July '56
BANKING AND CREDIT						
Commercial Loans ($ millions) (Weekly Reporting Member Banks)	1,582	+ 1	+ 9	31,587	0	+12
Deposits ($ millions) (Weekly Reporting Member Banks)	4,285	+ 2	+ 2	94,382	+ 1	+ 2
Check Payments ($ millions) (Selected Cities)	7,969	+ 5	+ 9	200,547	+ 4	+11
Consumer Installment Credit Outstanding (index, 1950–52 = 100)	228	+ 1	+ 7	220	+ 1	+ 8
TRADE						
Department Store Sales (index, seas. adj. 1947–49 = 100)	112	+ 2	− 3	132	+ 4	+ 2
Department Store Stocks (index, seas. adj. 1947–49 = 100)	127	− 1	− 4	143	0	+ 4
EMPLOYMENT, PRICES, MAN-HOURS, & EARNINGS						
Nonagricultural Employment (thousands)	3,631	− 1	0	52,809	0	+ 4
Insured Unemployment (thousands) (excl. R. R. and Veterans programs)	113	+10	+35	1,330	+ 3	+ 9
Consumer Prices (index, 1947–49 = 100)	122.6 (Mass.)	+ 1	+ 3	120.8	+ 1	+ 3
Production-Worker Man-Hours (index, 1950 = 100)	90.1	− 3	− 4	101.8	− 2	+ 1
Weekly Earnings in Manufacturing ($)	74.26 (Mass.)	− 1	+ 5	82.18	− 1	+ 4
OTHER INDICATORS						
Construction Contract Awards ($ thousands, 3-mos. moving averages)						
Total	165,438	−10	+ 4	2,983,711	− 6	0
Residential	73,125	0	+16	1,238,166	0	+ 4
Public Works	25,945	−25	−23	525,898	−14	+ 9
Electrical Energy Production (index. seas. adj. 1947–49 = 100)*	186.2	− 4	+ 5	230.7	− 1	+ 8
Business Failures (number)	59	− 6	0	1,059	− 2	+ 4
New Business Incorporations (number)	780	+13	+11	11,686	+ 4	+ 2

*Figure for last week of month